



**THE HON MARK BUTLER MP
MINISTER FOR MENTAL HEALTH AND AGEING
MINISTER FOR SOCIAL INCLUSION
MINISTER ASSISTING THE PRIME MINISTER ON MENTAL HEALTH REFORM**

Senator Rachel Siewert
Committee Chair
The Senate Community Affairs Reference Committee
Parliament House
CANBERRA ACT 2600

Dear Senator Siewert

I am writing in regard to the 2011 Senate Community Affairs Reference Committee's Inquiry into Commonwealth Funding and Administration of Mental Health Services and its Final Report.

I would like to take this opportunity to acknowledge the significant and welcome interest of the Committee in improving the health and wellbeing of all Australians affected by mental illness, their families and carers. The Final Report provided an important resource that has contributed to the Government's thinking and decisions in respect of announced reforms to the mental health system.

The Prime Minister has declared mental health to be a priority, and appointed this country's first federal Mental Health Minister. We have backed this with action, with substantial investment in foundational health system reform, together with targeted mental health funding in the 2010-11 Budget and through our election commitment doubling investment in suicide prevention.

Now we have put in place a further major boost to services for people with a mental illness – both in health and community services – together with a structure to continue reform over the long term. The Australian Government has provided a \$2.2 billion investment over five years to drive fundamental reform in Australia's mental health system. We have heard the voices of the millions of Australians who have experienced mental illness, their families, their carers and the experts, and the commitment the Australian Government has made to mental health acts on their advice.

Noting that there was only one formal recommendation and the diversity of views arising from the report, the Government has prepared a summary table ([Attachment A](#)) responding to all recommendations in the Final Report. I note that the minority report by the Australian Labor Party Senators, and the dissenting report by Coalition Senators, did not make any formal recommendations.

The Government has taken concrete steps to respond to the concerns expressed in the Final Report in relation to the rationalisation of allied health treatment sessions under the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Scheme (Better Access) initiative.

While Better Access was neither designed nor intended to provide intensive services or ongoing therapy for people with more severe and persistent mental illness, the Government acknowledges that there are some people with more complex needs who may have come to rely on the program for support.

The Government recognises that reducing the number of rebateable sessions has caused some community concern and that some of the new services announced as part of the Delivering National Mental Health Reform 2011-12 Budget Package need time to build capacity before they are able to provide care and support to people with more complex needs or people with more severe and persistent mental illness.

The Government has listened to these concerns. On 1 February 2012, I announced that the Government is delaying full implementation of the Better Access allied health changes until 1 January 2013 and, in the interim period, reinstating the capacity to access up to an additional six sessions in exceptional circumstances (to a maximum of sixteen services in a calendar year).

The reintroduction of 'exceptional circumstances' up to 31 December 2012 provides time for allied mental health professionals and consumers to adapt to the new arrangements and time for the new mental health services to build capacity to effectively respond to people with more complex needs.

I am also pleased to advise that the Government has made progress in a number of key areas relating to the Inquiry's Terms of Reference. Of particular note is:

- the commencement of the National Mental Health Commission on 1 January 2012;
- the launch of the e-headspace service that has recently begun providing telephone and web-based support services to young people (building on the existing **headspace** platform) as well as the announcement of the next 15 locations for **headspace** services;
- rollout of the first tranche of the additional funding under the Access to Allied Psychological Services and Support for Day to Day Living in the Community programs; and
- expressions of interest and application processes held in relation to the national expansion of the Early Psychosis Prevention and Intervention Centre model, and the National Partnership Agreement on Supporting Mental Health Reform.

Work is ongoing across all eighteen measures under the Delivering National Mental Health Reform package to meet the Government's commitment to roll-out the additional services in a timely way and make a real difference to the mental health of Australians.

Thank you again for the important work the Committee has undertaken.

Yours sincerely

MARK BUTLER

Australian Government response to recommendations from the *Inquiry into Commonwealth Funding and Administration of Mental Health Services* report

Committee's recommendation	
<p>Recommendation 1: The committee supports the increased funding to EPPIC and headspace in the 2011-12 Federal Budget on the proviso that this significant policy transformation be evaluated after two years. However, the committee urges the Government to identify or develop strategies that will address the need for early psychosis prevention and intervention in rural and remote areas.</p>	<p>Supported in principle.</p> <p>The Australian Government acknowledges the importance of evaluating the headspace and EPPIC measures to ensure they are delivering cost-effective, good health outcomes. However, given that the expansion of both services is being done progressively, evaluation after two years may not capture the full benefits of the service models.</p> <p>The Department of Health and Ageing (DoHA) is working collaboratively with headspace in developing a suitable approach for the next headspace evaluation, which will include the 2011-12 Budget expansion.</p> <p>An evaluation framework for the EPPIC model expansion measure is to be developed in consultation with successful jurisdictions and Orygen Youth Health, founders of the model. An independent evaluator will be engaged in Year 2 of the measure to undertake an ongoing national evaluation.</p> <p>The Australian Government acknowledges the need to improve access to mental health services, including early psychosis prevention and intervention, in rural and remote areas.</p> <p>The EPPIC model relies on high-intensity services delivered through 16 core components, and can be difficult to deliver without a critical population mass. Currently the EPPIC model is aimed at delivering prevention and early intervention services in a region with a population of 1,000,000 people. As a first step to making the service more widely available, DoHA is working closely with Orygen Youth Health to adapt the model to suit smaller population sizes, noting that there are workforce challenges associated with such smaller populations.</p>

	<p>The <i>Delivering National Mental Health Reform</i> package included important measures that will help to increase access in rural and remote areas, such as the expansion of the Access to Allied Psychological Services program and establishment of a single mental health online portal. This will complement existing rural-focused initiatives, such as the Mental Health Services in Rural and Remote Australia program.</p>
<p>Chair's Additional Comments</p>	
<p>Recommendation 1: The Chair of the committee recommends that the rationalisation of the number of rebatable allied health sessions under Better Access be delayed until it can be demonstrated that other programs (such as ATAPS) are adequately equipped to provide services to people with a severe or persistent mental illness</p>	<p>Supported in Principle</p> <p>While Better Access was neither designed nor intended to provide intensive services or ongoing therapy for people with severe and persistent mental illness, the Australian Government acknowledges that there are some people with more complex needs who have come to rely on the program.</p> <p>The Government recognises that some of the services in the 2011-12 Budget package will need time to build capacity before they are fully able to provide care and support to those with more complex needs.</p> <p>The 6 additional services available under 'exceptional circumstances' have been reinstated until 31 December 2012. The standard number of rebatable sessions under Better Access will remain at 10, consistent with the program's focus on people with mental disorders where short term interventions are most useful. However, for the 2012 calendar year, eligible individuals can receive up to a total of 16 services.</p> <p>The reintroduction of 'exceptional circumstances' for a limited period, provides time for consumers and mental health professionals to adapt to the new arrangements and time for the new mental health services to be able to respond to people with more complex needs.</p>
<p>Recommendation 2: The Chair of the committee recommends that the Government consider putting in place an interim program through the MBS that would allow access to</p>	<p>Refer to response to Recommendation 1 of Chair's Additional Comments.</p>

<p>six additional sessions under Better Access for consumers who meet tightened criteria based on the severity of their conditions</p>	
<p>Recommendation 3: The Chair of the committee recommends that the Government continue to evaluate Better Access and keep a watching brief on how the program is being accessed nation wide with a particular focus on the take up of Better Access services by hard to reach groups.</p>	<p>Supported</p> <p>The Government will continue to monitor the uptake and use of Better Access as a national program, including access by hard to reach groups.</p>
<p>Recommendation 4: The Chair of the committee recommends that the Government develop guidance materials as quickly as possible to assist Medicare Locals and GP divisions in meeting the full potential of the expanded ATAPS program. This material should include examples of nation wide best practice in areas such as financial management and the development of innovative projects targeting hard to reach groups.</p>	<p>Supported</p> <p>The Australian Government recognises the importance of appropriate resources and guidelines to support the expansion of the ATAPS program, particularly in the areas of growth targeted in the 2011-12 Budget such as child mental health, indigenous mental health and suicide prevention.</p> <p>Operational guidelines for ATAPS were revised in consultation with key stakeholders and the ATAPS Expert Advisory Committee and distributed to Divisions of General Practice and Medicare Locals in December 2011. This includes operational guidelines to support provision of suicide prevention services.</p> <p>Purchasing guidance for child mental health services, being developed by the Australian Psychology Society, is currently being finalised and will inform the finalisation of child mental health specific operational guidelines and the training supports needed to upskill the existing allied health workforce to provide appropriate mental health services to children and their families.</p> <p>Indigenous specific operational guidelines are also being finalised in consultation with the ATAPS Expert Advisory Committee and other key stakeholders. Arrangements are being put</p>

	<p>in place to provide culturally appropriate training to allied health providers delivering ATAPS services to Indigenous people in consultation with the Australian Indigenous Psychologists Association.</p> <p>Effective development of local clinical governance arrangements is being supported by a nationally consistent framework and resources being developed by the Australian General Practice Network (AGPN) in consultation with key stakeholders. These will be rolled out in early 2012 and the AGPN will work with Divisions of General Practice and Medicare Locals on implementation.</p> <p>The Department is commissioning work to undertake an economic analysis of the current ATAPS program (including different funding models) to develop options for enhancing the program's efficiency, including possible introduction of activity based funding for ATAPS and the identification of efficient business models. The project is expected to be completed by mid 2012.</p>
<p>Recommendation 5: The Chair of the committee recommends that a comprehensive performance assessment framework be established as part of the ATAPS expansion. The data gathered should be used to develop benchmarking tools to compare ATAPS service delivery across Medicare Locals and GP Divisions with similar geographic and demographic indicators.</p>	<p>Supported</p> <p>The Australian Government acknowledges the role of performance monitoring in ensuring cost effective, targeted service delivery. The development of an activity based funding framework outlined in recommendation 4 will enable benchmarking of service delivery across Medicare Locals and support the development of relevant performance indicators.</p> <p>The current monitoring and evaluation framework for ATAPS will be progressively reviewed to ensure effective capture of benchmarking and performance indicator data, as well as responding to the monitoring and evaluation needs arising from the expansion of ATAPS.</p>
<p>Recommendation 6: The Chair of the committee urges the Government to revise its scheduling for the 2011-12 Federal Budget changes to ensure continuity of care.</p>	<p>Refer to response to Recommendation 1 of Chair's Additional Comments.</p>
<p>Recommendation 7: The Chair of the</p>	<p>Refer to response to Recommendation 1 of Chair's Additional Comments.</p>

<p>committee recommends that any tightening of eligibility for Better Access be delayed until the youth mental health initiatives funded in the 2011-12 Federal Budget are fully expanded and operational.</p>	
<p>Recommendation 8: The Chair of the committee considers that consumers must have a central role in any mental health advisory body, and that Aboriginal and Torres Strait Islander people should be represented. The National Mental Health Commission, which will have nine Commissioners and a Chair, should include at least one Commissioner who is a consumer, one who is a carer and one who has Aboriginal and Torres Strait Islander heritage.</p>	<p>Supported.</p> <p>The Australian Government acknowledges the importance of a central role for consumers, carers and Aboriginal and Torres Strait Islanders peoples in the National Mental Health Commission ('the Commission'). This will be fundamental to enabling the Commission to fulfill its role in providing cross-sectoral leadership and driving transparency and accountability in the system so that better outcomes for consumers and carers can be achieved.</p> <p>Appointed Commissioners include a mental health consumer, a carer, and a person of Aboriginal and Torres Strait Islander heritage. This was announced by the Minister Assisting the Prime Minister for Mental Health Reform, the Hon Mark Butler MP, on 11 December 2011 (see http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr11-mb-mb223.htm?OpenDocument&yr=2011&mth=12).</p>
<p>Recommendation 9: The Chair of the committee recommends that the Government review the operation and structure of the National Mental Health Commission after two years with a view to placing it on a statutory basis.</p>	<p>Supported in principle.</p> <p>The Australian Government intends to review the Commission after two years, to ensure it is performing well and meeting its objectives. As such, the results of the review will determine any future decisions by Government about the operation and structure of the Commission. The review will also help determine whether the executive agency model is supporting the Commission to operate effectively or whether a statutory model would be more appropriate.</p>
<p>Recommendation 10: The Chair of the committee believes that the new Mental Health Commission should undertake ongoing</p>	<p>Partially Supported</p> <p>The Commission has been established by the Government to increase transparency and</p>

<p>monitoring of the two-tier Medicare rebate for psychologists to ensure that patients have access to the most appropriate practitioners and that workforce balance across the mental health sector is maintained.</p>	<p>accountability in the mental health services system and provide advice to Government on achieving better outcomes for people with mental illness and their families and carers.</p> <p>In doing so it will work with consumers, carers, experts, professional groups, other stakeholders and governments, to increase accountability and transparency in funding, delivery, evaluation, effectiveness and outcomes of a range of mental health programs and services.</p> <p>The Australian Government is committed to ensuring that patients have access to the most appropriate practitioners, that those practitioners have relevant skills and qualifications and that workforce balance across the mental health sector is maintained. The issue of the two-tier Medicare rebate for psychologists under the Better Access program reflects the international benchmarks regarding qualifications, skills and experience in delivering psychological therapy services.</p> <p>Consistent with its role in policy development and administration DoHA will continue to monitor the uptake of services provided by psychologists as part of the ongoing monitoring and evaluation of Better Access. The Government would also welcome any input the Mental Health Commission might provide as part of this process.</p>
Minority Report – ALP	
No recommendations made	n/a
Dissenting Report by Coalition Senators	
No recommendations made	n/a